

Message Text

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SUBJECT: UTILIZATION OF RUBLES ACCUMULATED FROM CULTURAL
PERFORMANCES

PASS TREASURY

1. FOLLOWING IS TEXT OF LETTER RECEIVED TODAY AND
DATED SEPTEMBER 26 FROM YU. IVANOV, CHAIRMAN, BANK
FOR FOREIGN TRADE:

R

2. BEGIN QUOTE. WE HAVE RECEIVED YOUR LETTER OF
AUGUST 20, 1973 IN RESPECT OF PASSING TO THE ACCOUNT
OF THE AMERICAN EMBASSY WITH THE BANK FOR FOREIGN
TRADE OF THE USSR THE SOVIET CURRENCY IN CASH RECEIVED
FOR THE PERFORMANCES OF AMERICAN GROUPS. HAVING
ATTENTIVELY CONSIDERED YOUR REQUEST AND IN VIEW OF
FURTHER FRUITFUL COOPERATION BETWEEN OUR COUNTRIES WE
WOULD INFORM YOU THAT, BY WAY OF EXCEPTION, WE ARE
READY TO OPEN A SEPARATE NON-CONVERTIBLE RUBLE ACCOUNT
FOR PASSING SOVIET CURRENCY IN CASH RECEIVED FOR THE
PERFORMANCES OF AMERICAN GROUPS IN THE USSR. THE
FUNDS ON THIS ACCOUNT MAY BE UTILIZED ON THE TERRITORY
OF THE USSR. IVANOV. END QUOTE.

3 LETTER OF AUGUST 20 TO WHICH IVANOV LETTER REFERS
IS QUOTED BELOW.

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4. BEGIN QUOTE. AS PART OF THE CONTINUING NORMAL-IZATION OF RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS, AN INCREASING NUMBER OF AMERICAN PERFORMING GROUPS ARE MAKING APPEARANCES IN SOVIET CITIES UNDER THE AUSPICES OF GOSKONTSERT AND OTHER SOVIET ORGANIZATIONS. THE EMBASSY WELCOMES THIS DEVELOPMENT AS AN ENCOURAGING SIGN THAT OUR TWO COUNTRIES CAN INDEED WORK TOGETHER TO ACHIEVE MEANINGFUL COOPERATION AND MUTUAL UNDERSTANDING. THE EMBASSY WISHES TO REQUEST YOUR ASSISTANCE IN ENSURING THAT THIS IMPORTANT CULTURAL EXCHANGE AND EXAMPLE OF COOPERATION CAN CONTINUE IN THE FUTURE WITHOUT PLACING UNDUE BURDEN ON EITHER THE GOVERNMENT OF THE USSR

OR THE EMBASSY. AS YOU KNOW, THE UNITED STATES GOVERNMENT MAINTAINS THREE ACCOUNTS WITH THE BANK FOR FOREIGN TRADE OF THE USSR. ONE ACCOUNT (#07001480) IS IN US DOLLARS IN THE NAME OF THE AMERICAN EMBASSY, MOSCOW; THE SECOND (#70119499) IS IN RUBLES IN THE NAME OF THE UNITED STATES REGIONAL FINANCE CENTER, PARIS, FRANCE; AND THE THIRD (#70119059) IS IN RUBLES IN THE NAME OF THE AMERICAN EMBASSY, MOSCOW. THE EMBASSY IN RECENT MONTHS HAS BEEN RECEIVING INCREASINGLY LARGE SUMS IN CASH, IN RUBLES, FROM GOSKONTSERT AND OTHER SOVIET ORGANIZATIONS IN PAYMENT FOR THE PERFORMANCES BY AMERICAN GROUPS. THESE PAYMENTS ARE MADE IN ACCORDANCE WITH WRITTEN AGREEMENTS BETWEEN OUR GOVERNMENTS. SINCE BOTH OF THE RUBLE ACCOUNTS REFERRED TO ABOVE, HOWEVER, ARE CONVERTIBLE (I.E., DEPOSITS MAY BE MADE IN THEM ONLY WITH RUBLES PURCHASED FROM THE BANK OF FOREIGN TRADE), THE EMBASSY IS LEFT WITHOUT A BANKING SERVICE THROUGH WHICH IT CAN PROPERLY DISPOSE OF THE LARGE SUMS IN CASH IT RECEIVES FROM THESE ORGANIZATIONS. THE SUMS ARE SO LARGE THAT THEY EXCEED THE NORMAL OPERATING EXPENSES OF THE EMBASSY FOR THE RELATIVELY SHORT PERIODS OF TIME THE EMBASSY COULD REASONABLY BE EXPECTED TO HOLD SUCH SUMS IN CASH. THE EMBASSY THEREFORE WISHES TO REQUEST YOUR ASSISTANCE IN CHANGING THE LAST ACCOUNT REFERRED TO ABOVE, THE RUBLE ACCOUNT #70119059 IN

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THE NAME OF THE AMERICAN EMBASSY, MOSCOW, TO A NON-CONVERTIBLE ACCOUNT IN WHICH RUBLES IDENTIFIED AS COMING FROM SOVIET SOURCES COULD BE FREELY DEPOSITED AND FROM WHICH RUBLES COULD BE FREELY WITHDRAWN. THE EMBASSY'S RUBLE COLLECTIONS IN CASH FROM THE GOVERNMENT OF THE USSR ARE EXPECTED TO INCREASE IN THE FUTURE, AND THE EMBASSY BELIEVES IT ESSENTIAL THAT THIS BANKING SERVICE BE MADE AVAILABLE TO IT. THANK

YOU. SOMMELATTE FOR DUBS. END QUOTE.

5. COMMENT. IVANOV LETTER IS WELCOME, ALBEIT OVERDUE, GESTURE ON PART OF SOVIET AUTHORITIES WHICH SHOULD GREATLY FACILITATE PROBLEM OF UTILIZING AND DISPOSING OF CURRENT RUBLE BALANCES RECEIVED (USUALLY THROUGH GOSKONTSERT) FOR THE PERFORMANCES OF AMERICAN GROUPS CARRIED OUT UNDER CULTURAL EXCHANGE PROGRAM.

6. WOULD STILL SUGGEST, HOWEVER THAT FUTURE CULTURAL AGREEMENTS PROVIDE FOR IMMEDIATE CONVERTIBILITY INTO DOLLARS BY SOVIET AUTHORITIES OF RUBLES COLLECTED FOR SUCH PERFORMANCES. END COMMENT.
DUBS

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